

Message Text

UNCLASSIFIED

PAGE 01 SAN SA 02373 192211Z
ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 DOTE-00 /018 W
-----200301Z 092785 /13

R 192235Z MAY 77
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 4362
INFO AMEMBASSY GUATEMALA

UNCLAS SAN SALVADOR 2373

GUATEMALA FOR ROCAP

E.O. 11652: N/A
TAGS: EGEN, ELTN, ES
SUBJECT: INTER-AMERICAN HIGHWAY TOLLS

REF: STATE 72917

1. GOES IS CURRENTLY PREPARING TO BEGIN COLLECTION OF TOLL
ON RECENTLY OPENED 4-LANE STRETCH OF CA-1 (INTER-AMERICAN
HIGHWAY) FROM PUERTAZUELO, NEAR SANTA ANA TO KILOMETER 35
NORTH OF SAN SALVADOR. OW
D TWO-LANE SECTION OF CA-1 FROM
SANTA ANA TO KILOMETER 35 WILL REMAIN OPEN TO TRAFFIC
WITHOUT TOLL. BOTH SECTIONS WILL BE DESIGNATED "CA-1"

2. NEW STRETCH OF CA-1 WAS CONSTRUCTED UNDER \$4.6 MILLION
LOAN FROM CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI),
EXTENDED IN 1969. CABEI LOAN AGREEMENT CONTAINS NO
PROVISION PROHIBITING THE APPLICATION OF A TOLL. A PORTION
OF CABEI FUNDS USED TO FINANCE NEW ROADS CAME FROM IDB.
AS FAR AS EMBASSY CAN DETERMINE, NO AID FUNDS WERE USED
IN CONSTRUCTION OF KILOMETER 35-PUERTAZUELA SECTION. GOES
POSITION IS THAT INTER-AMERICAN HIGHWAY REMAINS FREE OF
TOLL SINCE TRAVELLERS ARE FREE TO CHOOSE OLD ROAD FROM
SANTA ANA.

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PAGE 02 SAN SA 02373 192211Z

3. IT APPEARS TO EMBASSY THAT GOES POSITION IS LEGALLIZE
CORRECT. PUB
LIC LAW 769, APPROVED SEPTEMBER 7, 1950,
STATES IN SECTION 212(A)(2) THAT TOLL SHALL NOT BE IMPOSED
ON ANY PORTION OF INTER-AMERICAN HIGHWAY "CONSTRUCTED UNDER
THE PROVISIONS OF THIS SECTION." SAME WORDING OCCURS IN

AGREEMENT BETWEEN US AND EL SALVADOR CONCERNING INTER-AMERICAN HIGHWAY (TIAS 2318). SINCE PORTION OF HIGHWAY UNDER TOLL WAS NOT CONSTRUCTED UNDER PUBLIC LAW 769, AS FAR AS EMBASSY CAN DETERMINE, IT WOULD APPEAR THAT GOES HAS RIGHT TO IMPOSE CHARGE. CLEARLY, SOME DAMAGE IS DONE TO SPIRIT OF AGREEMENT SINCE (A) TRAVELLER WOULD HAVE TO BE FAIRLY WELL-INFORMED TO FIND OLD SECTION, (B) NEW STRETCH IS GREATLY SUPERIOR TO CURVING, POORLY-MAINTAINED OLDER ROAD, AND (C) MAINTENANCE OF OLD SECTION WILL PROBABLY BE POORER THAN EVER. ON THE OTHER HAND, ONLY UPPER INCOME EARNERS, IN ADDITION TO TOURISTS, HAVE CARS AND THUS PAY TOLL; PEOPLE WHO CAN WELL AFFORD IT. MOREOVER, TIME, WEAR AND TEAR, AND GASOLINE COSTS ARE MUCH LOWER FOR NEW HIGHWAY, AND RESULTS IN COST REDUCTIONS DESPITE TOLL. WE WOULD THEREFORE CONSIDER THIS A VERY GOOD TAX IN THE ECONOMIC SENSE AND COMPLETELY CONSISTENT WITH AID OBJECTIVES, THE CONGRESSIONAL MANDATES, AND THE ECONOMIC AND SOCIAL DEVELOPMENT OF EL SALVADOR.
LOZANO

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Message Attributes

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Copy: SINGLE
Sent Date: 19-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770179-0810
Format: TEL
From: SAN SALVADOR
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